



## Three Small-Business Banking & Payments Opportunities Emerging From the Pandemic

24 September 2020 By: Ian Benton

America's small businesses have undergone a period of profound adaptation during the COVID-19 shutdown. If banks take the right steps coming out of the pandemic, these rapid shifts will transform how businesses interact with their banks, make and accept payments, obtain working capital, and monitor and manage their finances. The pandemic triggered enormous leaps in digital banking adoption, electronic payments acceptance, and use of online and mobile account applications — all long-term positive trends for financial institutions. But the pandemic also has spurred many business owners to try Silicon Valley platforms such as Square, PayPal, Stripe, Kabbage, and QuickBooks Online. For banks, success over the next decade will hinge on countering those threats in three key ways: 1) by converting digital experimentation into long-term engagement, 2) positioning Zelle for payment acceptance, and 3) rapidly expanding digital account opening and loan applications.

### **Key questions discussed in this report:**

- How have business banking and payments behaviors changed during the pandemic?
- Which features resonate most with new business users of digital banking?
- Will digital banking adoption translate to digital preference going forward?
- How have financial relationships been affected by banks' response to the pandemic?
- Where did business owners turn for help with digital payment acceptance?
- How can banks build on internal momentum from digital applications developed for the PPP?

The data in this report was primarily collected from a random-sample survey of 900 business owners and decision-makers conducted in three separate cohorts:

- 279 collected between March 12 and March 17, 2020
- 221 collected between March 19 and March 23, 2020
- 400 collected between April 30 and May 6, 2020

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